Setting up of polyester weaving centres

2734. SHRI NARESH C. PUGLIA : Will the Minister of TEXTILES be pleased to state :

(a) what is the number of cooperative polyester weaving centres proposed to be set up during 1986-87 in different states;

(b) whether Government propose to organise training programmes in weaving of polyester and polyester blended cloth during the year 1987; and

(c) if so, what are the details thereof ?

THE DEPUTY MINISTER IN THE MINISTRY OF TEXTILES (SHRI S. KRISHNA KUMAR) : (a) It is proposed to set up 117 Polyester Weaving Centres during 1986-87 in different States.

(b) and (c) 24 polyester Training Programmes of 12 days duration with 12 weavers each at the rate of Rs. 6000/- per programme have since been sanctioned for the implementation by Weavers Service Centres in association with Petrofils Ltd., Baroda for the year 1986-87. Under this programme the weavers are trained in polyester weaving and the beneficiaries are identified by Weavers Service Centres.

Reservation of certain varieties of cloth for Khadi Sector

2735. SHRI H. HANUMANTHAPPA : Will the Minister of TEXTILES be pleased to state :

(a) whether Government have any proposal under their consideration to reserve certain varieties of cloth in favour of Khadi Sector as was done in favour of Handloom sector; and

(b) if so, what are the details in this regard ?

THE DEPUTY MINISTER IN THE MINISTRY OF TEXTILES (SHRI S. KRISHNA KUMAR) : (a) No Sir.

(b) Does not arise.

Financial scandal in the Hindustan Commercial Bank

2736. SHRI RAMSINGHBHAI PATALIYABHAI RATHVAKOLI : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that the Hindustan Commercial Bank (HCB) H.O. Kanpur of whom the major controlling group is the J. K. Singhania network of industries is sunk under an estimated Rs. 45 crore 'Sticky' or unrecoverable advances ;

(b) whether it is also a fact that the financial scandal was under the complete knowledge of the previous Boards and Chiefs of HCB as well as of the Reserve Bank of India and the Ministry of Finance;

(c) if so, what steps had been taken and are being taken by Government against the persons involved in the said scandal;

(d) whether Government's attention has been drawn to the news-items published in "Blitz" of 28th June 1986 captioned "JKs 45 crores Bank Scandal"; and

(e) if so, what are the details thereof and what is the reaction of Government thereto ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI) : (a) to (e) Government have seen the news-item appeared in the 'Blitz' of 28th June, 1986 captioned "JK's 45 crore bank scandal". It has been alleged in the news item that the JK Group of Industries which were the major shareholders of the Hindustan Commercial Bank Ltd., Kanpur had been systematically draining the bank.

The affairs of the Hindustan Commercial Bank Ltd. was being closely monitored by the RBI. The bank was working under specific direction of RBI. RBI had taken a number of measures for improving the financial soundness and operational efficiency of the bank. However, inspite of the various measures taken by the RBI, the financial position of the bank was found to be deteriorating.

Reserve Bank of India had carried out an inspection of the Hindustan Commercial Bank Ltd. with reference to its position as on 27-9-1985. It was noticed that the financial position of the bank had reached a stage where it could no longer function as an independent viable unit. According to the estimate made by RBI its

sticky advances aggregating Rs. 33.73 crores constituted 40.2% of the total advances. RBI, therefore, recommended imposition of moratorium on the bank and also its amalgamation with another bank. Accordingly an application was made by the RBI under section 45(1) of the Banking Regulation Act, 1949 to the Central Government for issue of an order of moratorium on the Hindustan Commercial Bank Ltd., Kanpur. Government issued an order of moratorium under section 45(2) of the Banking Regulation Act, 1949 with effect from the 24th May, 1986. The order of moratorium which was operative upto 24th November, 1986 has been extended further by an order of the High Court of Bombay passed on a writ petition filed by some share-holders of the Hindustan Commercial Bank Ltd., Kanpur.

Reserve Bank of India had also prepared a scheme of amalgamation of the Hindustan Commercial Bank Ltd. with Punjab National Bank to protect the interest of the depositors. The High Court of Bombay has stayed the implementation of the scheme of amalgamation also. The matter is therefore subjudice.

Export of Aluminium

2737. SHRIMATI RENUKA CHOWDHURY :

SHRI TALARI MANOHAR :

Will the Minister of COMMERCE be pleased to state :

(a) whether aluminium is proposed to be exported at reduced prices as reported in the Indian Express of the 24th August 1986; and

(b) if so, whether Government propose to sell aluminium at reduced price in the domestic market ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSHI) : (a) No, Sir. The report in the Indian Express of the 24th August, 1986 relates to the decision of the Government to supply indigenous Aluminium for export production to exporters of aluminium based engineering products at International prices.

(b) No, Sir.

Banking Service Commission

2738. SHRI D. B. CHANDRE GOWDA : Will the Minister of FINANCE be pleased to state :

(a) whether by now all the modelities and pattern of work of the proposed Banking Service Commission have been worked out;

(b) if not, what are the reasons for such abnormal delay; and

(c) what efforts are being made to constitute the proposed Banking Service Commission immediately ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI) : (a) to (c) In order to economise on administrative expenditure and the fact that the present decentralised system of recruitment through Banking Service Recruitment Boards is functioning satisfactorily, the proposal for setting up of a Banking Service Commission is being kept in abeyance.

UN report regarding India's raising of money from private owners

2739. PROF. C. LAKSHMANNA : Will the Minister of FINANCE be pleased to state :

(a) whether Government's attention has been drawn to a UN report to the effect that India may be in debt trap in the nineties because of her policy of raising too much money from private sector as reported in the Business Telegraph of 15th October, 1986; and

(b) if so, what steps Government have taken to avoid such a situation ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI) : (a) and (b) Attention has been drawn to a newspaper report to the effect that care must be taken to ensure that India and China are not forced to take too much money from private sources. Obviously, the reference is to commercial borrowing from abroad. Government of India is aware of the risks of such dependence on borrowing non-concessional sources and is therefore following a cautious policy of prudent debt management in regard to such borrowings.